

Notice of Extraordinary General Meeting

Notice is hereby given that the Extraordinary General Meeting of Shareholders of REVERSE CORP LIMITED ABN 16 085 949 855 will be held at Level 1, 300 Queen Street, Brisbane, QLD 4000 on 14 June 2019 at 10:00 am.

Business

TO CONSIDER AND, IF THOUGHT FIT, TO PASS THE FOLLOWING ORDINARY RESOLUTION:

"That the sale of Reverse Corp Limited's (REF) online contact lenses business (operated by Oz Contacts Pty Limited (ABN 68 137 805 371) (OzContacts) and each of its subsidiaries (each a CL Business, and collectively the CL Businesses) to Coastal Contacts (Aus) Pty Ltd ACN 115 412 943 (Coastal) by means of sale of all of the shares in OzContacts that are held by REF for AUD \$2,853,208 (subject to customary adjustment mechanisms) is approved under and for the purposes of Listing Rule 11.2"

Summary of the Transaction

REF has entered into a Share Purchase Agreement (SPA) for the conditional sale of its online contact lenses businesses to Coastal Contacts (Aus) Pty Ltd for AUD \$2,853,208 (subject to customary adjustment mechanisms). The SPA is for REF to sell the shares in Oz Contacts Pty Limited (ABN 68 137 805 371).

Completion of the sale and purchase of the shares in OzContacts is conditional upon satisfaction or waiver of the following conditions precedent on or before 25 June 2019:

- REF gaining the approval of security holders under Chapter 11 of the ASX listing rules;
- The release of certain security interests granted by REF in favour of National Australia Bank.

Either party can terminate if the conditions precedent are not satisfied by 25 June 2019 or, before completion, should either party be subject to an insolvency event.

The agreement may also be terminated by Coastal in the event of a material adverse effect on the operations, commercial relations, financial performance or business condition of OzContacts and its subsidiaries arising out of a fact, matter, event or circumstance either alone or when aggregated with all other facts, matters, events or circumstance.

The SPA also includes a break fee of \$100,000 payable by REF in the event any REF director failing to recommend that shareholders approve the transaction under the SPA, or publicly changing, qualifying or withdrawing such recommendation.

Directors Recommendations and Voting Intention

The REF Board note that no individual Director has any material personal interest in the outcome of the resolution other than as a result of their interest arising solely in the capacity as shareholders of REF.

The Directors unanimously recommend that Shareholders vote IN FAVOUR of the Resolution. Each Director is of the opinion, based on the information available, that the share sale of the CL Businesses to Coastal contemplated by the transaction is in the best interests of Shareholders. The Directors intend to vote their Shares in favour of the Resolution and have approved the information contained in this Notice.

Warranties Provided by Reverse Corp Limited

REF have given representations and warranties in favour of Coastal of a kind typically sought by a purchaser of shares and assets of this nature, and has given indemnities in favour of Coastal including in relation to breaches of warranties and tax matters, and other covenants under the SPA in connection with the services provided by relevant entities carrying on the business prior to the completion.

Below, we have set out a general and high-level summary of the vendor warranties given by REF to Coastal in the SPA:

1. Share Capital Warranty – warranties as to the share capital of OzContacts including as to the number, structure and ownership of the shares in the CL Businesses;
2. Incorporation, existence and authority – warranties as to the incorporation, existence and authority of REF including having the necessary authority, power and consents to enter in the SPA and that the SPA shall be legally binding upon REF;
3. Solvency Warranty – warranties as to the solvency of REF, OzContacts and the other CL Businesses;
4. Information – covers the accuracy of the disclosure material including the Data Room documentation;
5. Accounts Warranty – warranties confirming the financial statements provided to Coastal have been prepared in accordance with applicable Australian Accounting Standards and that there have been no changes to the policies adopted in the preparation of such financial statements or in the conduct of the business since 30 June 2018;
6. Business Assets – warranties as to the assets of the CL Businesses, including as to the title of those business assets and the inventories and that the merchandise are of good and merchantable quality;
7. Intellectual Property Warranty – warranties in connection with the intellectual property used in the CL Businesses including to confirm the CL Businesses have ownership and/or valid licences (as applicable) to the business intellectual property (including customer databases and websites) and that there are no third-party claims in respect of same;
8. Employee and Superannuation Warranties – covers the compliance and payment of all staff wages, entitlements and superannuation including warranting that any such payments are up to date and in accordance with applicable laws and standards;
9. Records Warranty – warranties confirming all business records have been accurately kept and are in accordance with applicable laws and standards;
10. Tax Warranty – warranties in connection with taxation including income tax, GST and FBT, including that such amounts have been paid, that relevant laws have been complied with, that no outstanding litigation or dispute exists involving the CL Businesses, and various warranties in connection with the status and history of the consolidated group;
11. Other Warranties – These include warranties confirming; no pending or threatened litigation, compliance with company privacy policy in use of all personal information, adequate insurance policies have been held, licences to operate all software platforms and programs to run the business are held in the CL Businesses, the CL Businesses have complied with laws, material contracts are not terminable by third parties or breached by the CL Businesses, the CL Businesses hold all approvals to conduct the business, and the lease for the site from which the business is conducted is at an end.

Purchase Price

The purchase price is AUD \$2,853,208, subject to customary adjustment mechanism, in cash with AUD \$140,000 being held back for a period of 12 months after the completion date to secure warranties and indemnities provided by REF to Coastal. Release of the balance of the holdback amount to REF is to take place on the date 12 months after the completion date, less any amount retained under a claim made by Coastal against the holdback amount pursuant to the SPA.

Listing Rules 12.1 and 12.2 Consequences

When REF completes the sale of the CL Businesses, and the reverse charge calling business closes on 1 July 2019, its main undertaking will cease to operate. From this point REF will have 6 months to find an alternative business or consider delisting. ASX Listing Rule 12 details are below:

A disposal by a listed entity of its main undertaking can also raise issues under Listing Rule 12.1 and 12.2, which oblige a listed entity to satisfy ASX on an ongoing basis that the level of its operations is sufficient, and its financial condition adequate, to warrant its continued listing and continued quotation of its securities. ASX Guidance Note 12 states, the disposal by a listed entity of its main undertaking may be a precursor to the entity embarking on a new business venture, either immediately or once a suitable business has been identified and acquired. In the latter case, notwithstanding Listing Rule 12.3, ASX will, in the absence of any other reason to suspend the quotation of the entity's securities, generally continue the quotation of its securities for up to six months to allow it time to identify, and make an announcement of its intention to acquire, a suitable new business. If an entity is not able to make an announcement of its intention to acquire a new business within six months of completing the disposal of its main undertaking, ASX will generally exercise its discretion under Listing Rule 12.3 to suspend the quotation of its securities at the end of that six-month period. The suspension will continue until the entity makes an announcement acceptable to ASX about its future activities. If the Company does propose to enter into a new transaction, it will consult with ASX.

The REF Board will make further announcements around these matters in due course which would include exploring options to sell the listed shell.

Transaction Rationale and Use of Sale Proceeds

The REF Board have taken the decision that the transaction will achieve the best return for shareholders and propose using the proceeds to pay a fully franked special dividend in the range of \$2,500,000 (representing 2.7 cents per share) following completion of the transaction. REF has \$4,300,000 in franking credits as of 30 April 2019 with a portion to be utilised for the special dividend.

In coming to this decision, the Board notes that a tender process has been conducted by Management with the offer by Coastal Contacts (Aus) Pty Ltd being the strongest. The Board also notes that the company's profitable reverse charge calling business will close on 1 July 2019.

Impact on Business Model

Given the 1 July 2019 closure of the 1800-Reverse business, should the proposed transaction complete, the company would look to either delist and wind up, or sell the shell which would include the remaining franking credits.

Overview of Coastal

Coastal Contacts (Aus) Pty Ltd is part of Clearly, an online retailer of contact lenses, eyeglasses and sunglasses, headquartered in Vancouver, Canada. Clearly is one of the largest online optical retailers in the world serving millions of customers across the globe every day.

Important Information

The sale of the online contact lenses business will result in the disposal of the main undertaking of REF for the purposes of Listing Rule 11.2. Under Listing Rule 11.2, Reverse Corp must have the transaction approved by security holders. The transaction may not proceed if that approval is not forthcoming.

Investors should take account of these uncertainties in deciding whether or not to buy or sell REF's securities.

Voting Exclusion Statement

ASX Listing Rule 11.2 requires REF to provide a Voting Exclusion Statement as defined in ASX Listing Rule 14.11. ASX Listing Rule 14.11.1 and 14.11.2 defines an Excluded Person as a person who might obtain a benefit, except solely in the capacity of a holder of ordinary securities, if the resolution is passed. If any person meets these criteria REF is required to provide the names of these people and disregard any votes cast in favour of the resolution by or on behalf of any such excluded person or an associate of any such excluded person.

REF has reviewed these listing rules and has determined that no person meets the definition of Excluded Person for the purposes of this transaction so no listed names have been provided in the Voting Exclusion Statement.

Changes to the Board or Senior Management as a Consequence of the Transaction

All REF staff members from the CL Businesses would be made redundant or have their employment agreements terminated at the date of completion of the transaction.

There are no proposed changes to the REF Board of Directors.

Likely Effect of the Transaction on REF's Financial Position

The following table summarises the likely effect of the transaction on the REF's consolidated total assets, total equity interests, annual revenue, annual expenditure and annual profit before tax.

A	B	C	D	E
Particulars	Before transaction	Increase/Decrease due to transaction	After transaction	Percentage change due to transaction
Method of Calculation	From Latest Audited Figures H1 FY19	Projected Increase/Decrease due to transaction	B +/- C	C/B
Total Consolidated Assets	\$3,547,337	-\$1,897,597	\$1,649,740	-53%
Total Equity Interests	\$2,685,365	-\$1,343,991	\$1,341,374	-50%
Total Securities on Issue	92,860,562	0	92,860,562	0%
Particulars	Before transaction	Increase/Decrease due to transaction	After transaction	Percentage change due to transaction
Method of Calculation	Latest Interim Financial Report – HY1 FY19 (6 months figures)	Projected Increase/Decrease due to transaction	B +/- C	C/B
Half Year Revenue	\$3,826,656	-\$2,645,347	\$1,181,309	-69%
Half Year Expenditure	\$3,961,322	-\$2,914,476	\$1,046,846	-74%
Half Year Profit/-Loss Before Tax	-\$134,666	+\$269,129	\$134,463	+200%

REF Proforma Balance Sheet

A proforma Balance Sheet utilising 31 December 2018 figures are provided below:

	31-Dec-18	CL Businesses	Sale	Proposed	31-Dec-18
	Reviewed	Sale 1	Costs 2	Dividend 3	Proforma
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	943,781	2,853,208	-175,000	-2,500,000	1,121,989
Trade and other receivables	162,746				162,746
Assets and disposal group classified as held for sale	1,897,597	-1,897,597			0
Other current assets	53,308				53,308
TOTAL CURRENT ASSETS	3,057,432	955,611	-175,000	-2,500,000	1,338,043
NON-CURRENT ASSETS					
Property, plant and equipment	39,511				39,511
Deferred tax assets	113,437				113,437
Goodwill	296,024				296,024
Other intangible assets	40,933				40,933
TOTAL NON-CURRENT ASSETS	489,905	0	0	0	489,905
TOTAL ASSETS	3,547,337	955,611	-175,000	-2,500,000	1,827,948
CURRENT LIABILITIES					
Trade and other payables	160,698				160,698
Short term borrowings	37,412				37,412
Current tax liabilities	-12,457				-12,457
Liabilities included in the disposal group held for sale	553,606	-553,606			0
Short-term employee benefits	68,030				68,030
TOTAL CURRENT LIABILITIES	807,289	-553,606	0	0	253,683
NON-CURRENT LIABILITIES					
Deferred tax liabilities	6,161				6,161
Long-term employee benefits	48,522				48,522
TOTAL NON-CURRENT LIABILITIES	54,683	0	0	0	54,683
TOTAL LIABILITIES	861,972	-553,606	0	0	308,366
NET ASSETS	2,685,365	1,509,217	-175,000	-2,500,000	1,519,582
EQUITY					
Share capital	3,576,084				3,576,084
Other components of equity	443,715				443,715
Retained earnings	-1,334,434	1,509,217	-175,000	-2,500,000	-2,500,217
TOTAL EQUITY	2,685,365	1,509,217	-175,000	-2,500,000	1,519,582

Notes

1. CL Businesses Sale Price is \$2,853,208 less CL Businesses net Assets of \$1,343,991
2. Sale costs estimated at \$175,000 including legal fees and staff redundancies
3. Dividend used is \$2,500,000

Issues of Shares by REF in the Previous 6 Months

REF has not issued any shares in the previous 6 months.

Transaction Fees

There are no agreed fees paid or payable by REF to any person for finding, arranging or facilitating the transaction.

Indicative Timetable

An indicative timetable for the completion of the transaction and associated corporate actions is set out below:

Event	Indicative Dates
Announcement of the transaction	30-April 2019
Notice of Meeting sent to shareholders	15-May 2019
Shareholders Meeting	14-June 2019
Completion of transaction	28-June 2019

Timetable is indicative only and may be varied by REF.

REF Shareholders should also note that on the day of the extraordinary general meeting seeking approval for the transaction, the company's shares will be placed in a trading halt at the request of the company. The shares will remain in trading halt until after REF has made an announcement confirming the result of the security holder vote and whether the transaction will proceed.

ASX takes no responsibility for the contents of this announcement.

REF is in compliance with its continuous disclosure obligations under ASX Listing Rule 3.1.

For Further Information Contact:

Company Secretary & CFO:

Dion Soich
07 3295 0390

Company CEO:

Charles Slaughter
07 3295 0384

 **ONLINE**
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 **BY MAIL**
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 **BY HAND**
Link Market Services Limited
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Level 12, 680 George Street, Sydney NSW 2000

 **ALL ENQUIRIES TO**
Telephone: +61 1300 554 474

PROXY FORM

I/We being a member(s) of Reverse Corp Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

STEP 1

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Extraordinary General Meeting of the Company to be held at **10:00am (AEST) on Friday, 14 June 2019, at Level 1, 300 Queen Street, Brisbane, QLD 4000** (the Meeting) and at any postponement or adjournment of the Meeting. **The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an

Resolutions

- 1 "That the sale of Reverse Corp Limited's (REF) online contact lenses business (operated by Oz Contacts Pty Limited (ABN 68 137 805 371) (OzContacts) and each of its subsidiaries (each a CL Business, and collectively the CL Businesses) to Coastal Contacts (Aus) Pty Ltd ACN 115 412 943 (Coastal) by means of sale of all of the shares in OzContacts that are held by REF for AUD \$2,853,208 (subject to customary adjustment mechanisms) is approved under and for the purposes of Listing Rule 11.2"

For Against Abstain*

STEP 2



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

STEP 3



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (AEST) on Wednesday, 12 June 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

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C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
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Rhodes NSW 2138
or
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680 George Street
Sydney NSW 2000

* During business hours (Monday to Friday, 9:00am–5:00pm)

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE EXTRAORDINARY GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**